



FEDERAL TRADE COMMISSION

[Docket No. 9407]

HomeAdvisor, Inc.; Analysis of Proposed Consent Order to Aid Public Comment

AGENCY: Federal Trade Commission.

ACTION: Proposed consent agreement; request for comment.

SUMMARY: The consent agreement in this matter settles alleged violations of Federal law prohibiting unfair or deceptive acts or practices. The attached Analysis of Proposed Consent Order to Aid Public Comment describes both the allegations in the complaint and the terms of the consent order—embodied in the consent agreement—that would settle these allegations.

DATES: Comments must be received on or before [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

ADDRESSES: Interested parties may file comments online or on paper by following the instructions in the Request for Comment part of the **SUPPLEMENTARY**

INFORMATION section below. Please write “HomeAdvisor, Inc.; Docket No. 9407” on your comment and file your comment online at <https://www.regulations.gov> by following the instructions on the web-based form. If you prefer to file your comment on paper, please mail your comment to the following address: Federal Trade Commission, Office of the Secretary, 600 Pennsylvania Avenue NW, Suite CC-5610 (Annex P), Washington, DC 20580.

FOR FURTHER INFORMATION CONTACT: Sophia Calderón (206-220-4486), Bureau of Consumer Protection, Federal Trade Commission, 600 Pennsylvania Avenue NW, Washington, DC 20580.

SUPPLEMENTARY INFORMATION: Pursuant to Section 6(f) of the Federal Trade Commission Act, 15 U.S.C. 46(f), and FTC Rule § 2.34, 16 CFR 2.34, notice is hereby

given that the above-captioned consent agreement containing a consent order to cease and desist, having been filed with and accepted, subject to final approval, by the Commission, has been placed on the public record for a period of 30 days. The following Analysis to Aid Public Comment describes the terms of the consent agreement and the allegations in the complaint. An electronic copy of the full text of the consent agreement package can be obtained at <https://www.ftc.gov/news-events/commission-actions>.

You can file a comment online or on paper. For the Commission to consider your comment, we must receive it on or before [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]. Write “HomeAdvisor, Inc.; Docket No. 9407” on your comment. Your comment—including your name and your state—will be placed on the public record of this proceeding, including, to the extent practicable, on the <https://www.regulations.gov> website.

Because of heightened security screening, postal mail addressed to the Commission will be subject to delay. We strongly encourage you to submit your comments online through the <https://www.regulations.gov> website.

If you prefer to file your comment on paper, write “HomeAdvisor, Inc.; Docket No. 9407” on your comment and on the envelope, and mail your comment to the following address: Federal Trade Commission, Office of the Secretary, 600 Pennsylvania Avenue NW, Suite CC-5610 (Annex P), Washington, DC 20580.

Because your comment will be placed on the publicly accessible website at <https://www.regulations.gov>, you are solely responsible for making sure your comment does not include any sensitive or confidential information. In particular, your comment should not include sensitive personal information, such as your or anyone else’s Social Security number; date of birth; driver’s license number or other state identification number, or foreign country equivalent; passport number; financial account number; or credit or debit card number. You are also solely responsible for making sure your

comment does not include sensitive health information, such as medical records or other individually identifiable health information. In addition, your comment should not include any “trade secret or any commercial or financial information which . . . is privileged or confidential”—as provided by section 6(f) of the FTC Act, 15 U.S.C. 46(f), and FTC Rule § 4.10(a)(2), 16 CFR 4.10(a)(2)—including competitively sensitive information such as costs, sales statistics, inventories, formulas, patterns, devices, manufacturing processes, or customer names.

Comments containing material for which confidential treatment is requested must be filed in paper form, must be clearly labeled “Confidential,” and must comply with FTC Rule § 4.9(c). In particular, the written request for confidential treatment that accompanies the comment must include the factual and legal basis for the request and must identify the specific portions of the comment to be withheld from the public record. *See* FTC Rule § 4.9(c). Your comment will be kept confidential only if the General Counsel grants your request in accordance with the law and the public interest. Once your comment has been posted on the <https://www.regulations.gov> website—as legally required by FTC Rule § 4.9(b)—we cannot redact or remove your comment from that website, unless you submit a confidentiality request that meets the requirements for such treatment under FTC Rule § 4.9(c), and the General Counsel grants that request.

Visit the FTC Website at <http://www.ftc.gov> to read this document and the news release describing the proposed settlement. The FTC Act and other laws the Commission administers permit the collection of public comments to consider and use in this proceeding, as appropriate. The Commission will consider all timely and responsive public comments it receives on or before [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]. For information on the Commission’s privacy policy, including routine uses permitted by the Privacy Act, see <https://www.ftc.gov/site-information/privacy-policy>.

Analysis of Proposed Consent Order to Aid Public Comment

The Federal Trade Commission (“FTC” or “Commission”) has accepted, subject to final approval, an agreement containing a consent order from HomeAdvisor, Inc. (“HomeAdvisor”). The proposed consent order has been placed on the public record for 30 days for receipt of comments by interested persons. Comments received during this period will become part of the public record. After 30 days, the Commission will again review the agreement and the comments received and will decide whether it should withdraw from the agreement and take appropriate action or make final the agreement’s proposed order.

This matter involves HomeAdvisor’s advertising and sale of its membership and leads products to home service providers. Count I of the complaint alleges HomeAdvisor violated section 5(a) of the FTC Act by disseminating advertisements and marketing that misrepresent that HomeAdvisor’s leads: (1) concern individuals who intend to hire service providers soon, (2) will match the types and locations of work selected by service providers, and (3) concern individuals who intentionally sought out HomeAdvisor’s assistance in finding a service provider. Count II of the complaint alleges that HomeAdvisor disseminated false and unsubstantiated advertisements and marketing concerning the rate at which HomeAdvisor’s leads convert into paying jobs. Count III of the complaint alleges that HomeAdvisor misrepresented that the first month of its mHelpDesk add-on subscription was free.

The proposed consent order includes injunctive relief that addresses these alleged violations and contains provisions designed to prevent HomeAdvisor from engaging in similar acts and practices in the future. The proposed consent order also requires HomeAdvisor to pay up to \$7,200,000 to the Commission to be used for consumer redress. Provision I prohibits HomeAdvisor from making false and/or unsubstantiated representations regarding its products. Provision I.A prohibits HomeAdvisor from

misrepresenting central characteristics of its leads, including that the leads concern individuals who intend to hire service providers soon, that they concern projects that will match service providers' stated task type and location preferences, and that they concern individuals who submitted a request concerning home services directly to HomeAdvisor. Provision I.A also prohibits HomeAdvisor from misrepresenting products as free. Provision I.B prohibits HomeAdvisor from making any representation regarding the rate at which HomeAdvisor's leads convert into paying jobs unless that representation is non-misleading and supported by data or written materials in HomeAdvisor's possession when the claim is made.

Provision II requires HomeAdvisor to pay up to \$7,200,000 to the Commission for purpose of consumer redress, with an initial payment of \$4,448,000. Provision III provides for a redress program that would administer two redress funds. The first fund would make payments of up to \$30 to service providers identified as affected by the practices at issue in Counts I and II of the complaint. The second fund would make payments of up to \$59.99 to service providers identified as affected by the practices at issue in Count III of the complaint and who submit a claim for payment. The Commission or its designee will administer the redress programs, with expenses to be paid from the redress funds.

Provision IV contains language necessary to aid in the enforceability by the Commission of any debt accruing pursuant to this proposed order, including, but not limited to, in any subsequent bankruptcy litigation. Provision V requires HomeAdvisor to provide the Commission with customer information necessary to administer the redress program.

Provisions VI through IX of the proposed order relate to compliance reporting and monitoring. Provision VI is an order acknowledgment and distribution provision requiring HomeAdvisor to acknowledge the order, to provide the order to current and future owners, managers, business partners, certain employees, and to obtain an acknowledgement from each such person that they received a copy of the order. Provision VII requires

HomeAdvisor to submit a compliance report ninety days after the order is entered, and to promptly notify the Commission of corporate changes that may affect compliance obligations. Provision VIII requires HomeAdvisor to maintain, and upon request make available, certain compliance-related records. Provision IX requires HomeAdvisor to provide additional information or compliance reports, as requested. Provision X states that the proposed order will remain in effect for 20 years, with certain exceptions.

The purpose of this analysis is to aid public comment on the proposed order. It is not intended to constitute an official interpretation of the complaint or proposed order, or to modify in any way the proposed order's terms.

By direction of the Commission.

April J. Tabor,

Secretary.

[FR Doc. 2023-02383 Filed: 2/3/2023 8:45 am; Publication Date: 2/6/2023]